

HANS RIEMER
COUNCILMEMBER AT-LARGE

(Partial) Guide to Opening a Brewery in Montgomery County

Regulatory Considerations

- County
 - Liquor License
 - Depending on the business model pursued, the <u>County Department of Liquor</u>
 Control will help guide you to the Liquor License that best meets your needs
 - Popular Licenses for Breweries in Montgomery County
 - Class B BWL License (Growlers in Gaitherburg) On site sale of beer, wine, and liquor
 - Class D BW (Denizens in Silver Spring) On and off site sale of beer and wine
 - Full list of available licenses
 - Contact: Kathie Durbin, Chief of Licensure, Regulation and Education
 - 240-777-1917
 - Kathie.Durbin@montgomerycountymd.gov
 - Recently passed law allows breweries to self-distribute rather than distribute through the Department of Liquor Control, which all other alcoholic beverages must go through.

State

- o Brewers License
 - The brewery will likely want to apply for Class 7M Microbrewer License (\$500/year) that allows on- and off-premise sale of beer. It allows food on-site. It has an upper limit of 22,500 barrels a year.
 - Breweries expecting to produce larger quantities must apply for a Class 5M Production Brewery License (\$1,500/year)
 - The Comptroller Of Maryland is the responsible state agency
 - Call Lou Berman of the State Comptroller's Office, 410-260-7388 (cell) who is with the Alcohol & Tobacco Tax Office
 - Neccesary forms are here
 http://taxes.marylandtaxes.com/Business_Taxes/General_Information/Business_Tax_Forms_and_Instructions/Alcohol_Tax_Forms/
 - Applicant should review form 365-1, 367 and the Checklist for Manufacturer and Wholesalers.
 - The Comptroller will also help with the Federal permits and licenses

Federal

- Breweries are regulated by the <u>Alcohol and Tobacco Tax and Trade Bureau</u> of the U.S.
 Department of the Treasury.
- TTB has an excellent website that walks prospective brewery owners through their regulatory requirements: http://www.ttb.gov/industry-startup/beer/beer-startup.shtml

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Financing

- County
 - Montgomery County Department of Economic Development has a number of financial incentives that may be applied for.
 - Montgomery County Small Business Revolving Loan Program
 - Montgomery County Economic Development Grant and Loan Program
 - o Contact: Judith Stephenson, Small Business Navigator
 - judith.stephenson@montgomerycountymd.gov
 - **2**40-777-2012
- State
 - Maryland Department of Business & Economic Development (MBED)
 - MBED has many <u>tax incentives</u>, <u>grant</u>, <u>and loan programs</u> that might be advantageous for breweries, including loans for capital equipment.
- Federal
 - o **SBA Loans**

Business Climate and Choosing a Location

- The <u>Montgomery County Business Development Corporation</u> (MBDC), in collaboration with the University of Maryland, does robust analytical and research work on the economic conditions of Montgomery County.
- MBDC can help you determine the demographic and market conditions of particularly areas in the County that are best suited to your business.
- Contact: Holly Sears Sullivan, President
 - o hsullivan@montgomerybusiness.org

Agricultural Reserve

- Montgomery County has a significant amount of agricultural land (93,000 acres) and farms (over 500) within its jurisdiction
- The proximity of the Agricultural Reserve to the more urban parts of the County create great synergies for businesses and farms to partner up. Possible synergies include locally grown food and source materials for beer/wine, the recycling of spent grain in the brewing process to the Agricultural Reserve for feed and fertilizer, and others.
- Contact: Jeremy Criss, Chief, Agricultural Services
 - o jeremy.criss@montgomerycountymd.gov
 - o 301-590-2830

Other Resources:

• Maryland Brewers Association

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